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PATENTS
Attorney Docket No. ODS-25

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Appellants : Masood Garahi et al.

Application No. : 09/825,537 Confirmation No. : 9788

Filed : April 2, 2001

For : SYSTEMS AND METHODS FOR PLACING PARIMUTUEL WAGERS ON FUTURE EVENTS

Art Unit : 3628

Examiner : Nga B. Nguyen

New York, New York 10036
July 2, 2007

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Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

APPEAL BRIEF UNDER 37 C.F.R. § 41.37

Sir:

Appellants are filing this Appeal Brief in support of their appeal from the final rejection of claims 1, 2, 4-19, and 21-34[1] in the Office Action dated June 2, 2006 and a Notice of Panel Decision from Pre-Appeal dated February 2, 2007. A Notice

[1] Claims 3 and 20 were also finally rejected in the Office Action. Appellants believe this to be an inadvertent mistake. Claims 3 and 20 are no longer pending because they were cancelled in the March 7, 2006 Reply to Office Action.

of Appeal for this case was filed along with a Pre-Appeal Brief Request for Review on September 1, 2006.

Appellants hereby petition for a four-month extension of time under 37 C.F.R. § 1.136(a) for filing this Appeal Brief. With the extension, this Appeal Brief is due on or before Monday, July 2, 2007.

The Director is hereby authorized to charge $2,090.00 to Deposit Account No. 06-1075 (Order No. 003043-0025) in payment of the filing fee required under 37 C.F.R. § 41.20(b)(2) and the extension fee required under 37 C.F.R. § 1.17(a)(4). The Director is also hereby authorized to charge any additional fees that may be due in connection with this Appeal Brief, or credit any overpayment of the same, to Deposit Account No. 06-1075 (Order No. 003043-0025). A separate Authorization to Charge Deposit Account is enclosed for these purposes (in duplicate).

In view of the arguments and authorities set forth below, the Board should find the rejections of claims 1, 2, 4-19, and 21-34 to be in error and should reverse the Examiner.

This Brief has the following appendices:

Claims Appendix

Appendix A: Copy of claims 1, 2, 4-19, and 21-34 involved in this appeal;

Evidence Appendices

Appendix B: Copy of the final Office Action dated June 2, 2006;

Appendix C: Copy of the September 1, 2006 Pre-Appeal Brief Request for Review;

Appendix D: Copy of the Notice of Panel Decision from Pre-Appeal Brief Review dated February 2, 2007;

Appendix E: Copy of Mindes et al. U.S. Patent No. 5,842,921;

Appendix F: Copy of Van Horn et al. U.S. Patent No. 6,631,356.

Related Proceedings Appendix

None.

(i.) Real Party in Interest

Appellants respectfully advise the Board that the real party in interest in the above-identified patent application is ODS Properties, Inc., a corporation organized and existing under the laws of the State of Delaware, and having an office and place of business at 6701 Center Drive West, Los Angeles, CA 90045, which is the assignee of this application.

(ii.) Related Appeals and Interferences

Appellants respectfully advise the Board that there are no other appeals or interferences known to appellant, his legal representative, or their assignee that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(iii.) Status of Claims

Claims 1, 2, 4-19, and 21-34 are rejected in this application and are on appeal.

(iv.) Status of Amendments

Appellants have not submitted any amendment pursuant to 37 C.F.R. § 1.116 or in reply to the June 2, 2006 final Office Action, from which this appeal is being sought.

(v.) Summary of Claimed Subject Matter

Appellants' invention, as defined by independent claims 1 and 18, is directed to a method and system for wagering on a future race using an interactive wagering system (see, e.g., appellants' specification, page 3, lines 1 through 14). A user is provided with an ability to place a wager in a first parimutuel wagering pool for the future race and is provided with an ability to select a wager type for the wager from a plurality of wager types (see, e.g., appellants' specification, page 3, lines 15 through 20, page 6, lines 9 through 14, and page 19, lines 26 through 30). A second parimutuel wagering pool is provided for the future race using the interactive wagering system (see, e.g., appellant's specification, page 3, lines 24 through 26). The second parimutuel wagering pool is separate from the first parimutuel wagering pool whereby odds of the first parimutuel wager pool are calculated using only wagers placed in the first parimutuel wagering pool and odds of the

second parimutuel wagering pool are calculated using only wagers placed in the second parimutuel wagering pool (see, e.g., appellants' specification, page 12, line 26 through page 14, line 11). The first and the second parimutuel wagering pools accept wagers of the same selected type and the second parimutuel wagering pool closes after the first parimutuel wagering pool closes (see, e.g., appellants' specification, page 12, line 26 through page 14, line 11 and page 36, line 12 through page 37, line 24).

(vi.) Grounds of Rejection to be Reviewed on Appeal

The ground of rejection to be reviewed on this appeal is the rejection of claims 1, 2, 4-19, and 21-34 under 35 U.S.C. § 103(a) as being obvious over U.S. Patent No. 5,842,921 (hereinafter "Mindes") in view of U.S. Patent No. 6,631,356 (hereinafter "Van Horn").

(vii.) Argument

"A patent may not be obtained ... if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time of the invention was made to a person having ordinary skill in the art to which said subject matter pertains." 35 U.S.C. § 103.

Thus, to determine the obviousness of the subject matter of appellants' claimed invention "[u]nder § 103, the

scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved." *Graham v. John Deere*, 383 U.S. 1, 6 (1966).

Mindes describes a system and method for fixed odds wagering.

Van Horn is directed to aggregating the demand for products by forming online buying groups. Van Horn is not directed to wagering.

As demonstrated below, Appellants respectfully submit that the final rejection of appellants' claims should be overturned at least because (1) the combination of Mindes with Van Horn fails to show or suggest every feature of appellants' claimed invention, (2) Mindes teaches away from using parimutuel wagering pools as required by appellants' claims, and (3) Van Horn is non-analogous art and cannot be properly relied on in the rejection of appellants' claims.

I. The Combination Of Mindes With Van Horn Fails To Show Or Suggest Every Feature Of Appellants' Invention

A. Mindes' Pools Are Not Parimutuel Pools As Required By Appellants' Claims

Appellants' claimed invention provides a user with the ability to place a wager for a future race in a "first parimutuel wagering pool" (emphasis added). In addition, the

interactive wagering system provides a "second parimutuel wagering pool" for that future race. The Examiner contends that Mindes discloses these features of appellants' claimed invention in Figure 2 and column 8, line 10 to column 9, line 20. The Examiner's contention is respectfully traversed.

With regard to Mindes, the Examiner states that "the user can place a wager in a plurality of pools for a future race" (Office Action, p. 3). Interestingly, this statement fails to indicate that Mindes' pools are "parimutuel" pools are required by appellants' claims. Appellants submit that Mindes' pools are fixed odds pools, not parimutuel pools.

In a parimutuel pool, the odds for a placed wager can change as a result of additional wagers placed in the pool (see appellants' specification, para. 5). When the pool closes, the odds become fixed. (see, e.g., appellants' specification, para. 4). In effect, each wagerer is betting against the other wagerers. This is in contrast to fixed odds wagering, where a wagerer is betting against the "house."

In a fixed odds pool, the odds for a wager are fixed at the time when the wager is placed. Depending on the number of wagers placed for a particular contestant, the "house" can lose money on an event. Accordingly, the "house" takes steps to limit its financial exposure to the wagers. For example, Mindes explains that

> The house guarantees that its exposure does not exceed a maximum amount by changing the betting terms in the pool to induce bettors to wager on the contestant which is underfunded, thereby inducing balancing of the pool. In extreme cases, the house stops accepting bets on the underfunded contestant when the exposure limit is reached. Col. 9:34-40.

This operation of fixed odds pools is in stark contrast to parimutuel pools. In parimutuel wagering, all wagers can be accepted because the pool can automatically balances itself by changing the odds of the placed wagers.

Mindes acknowledges the difference between fixed odds wagering and parimutuel wagering. In the background of the invention, Mindes describes fixed odds wagering and states that:

> "[t]his is different than the situation in race track betting where a parimutuel system is used, where all wagers on the same contestant have the same terms, and the player does not know the odds he will receive when he makes his wager, but learns the odds only after all wagers have been placed" (col. 2:39-44).

The foregoing demonstrates how fixed odds pools and parimutuel pools are different and that Mindes acknowledges the difference.

Mindes' system, however, is directed to fixed odds wagering, not parimutuel wagering. For example, Mindes' title of the invention recites that it is a "System and Method for Wagering at Fixed Handicaps and/or Odds on a Sports Event" (emphasis added). Nowhere does Mindes teach using a parimutuel

pool. Rather, Mindes teaches improvements to fixed odds wagering.

Accordingly, even if it were obvious to one skilled in the art to modify Mindes' fixed odds pools with the teachings of Van Horn to make the pools "have different schedules to open and close" as the Examiner contends, such a combination would still fail to show or suggest (1) providing a user with the ability to place a wager for a future race in a first parimutuel pool and (2) using the interactive wagering system to provide a second parimutuel wagering pool for the future race. For at least this reason, appellants respectfully request that the rejection of independent claims 1 and 18 and dependent claims 2, 4-17, 19, and 21-34 under 35 U.S.C. § 103(a) be overturned.

B. Mindes Does Not Disclose Two Separate Pools for A Future Race That Accept Wagers Of The Same Type As Required By Appellants' Claims

Appellants' claims require first and second parimutuel wagering pools for a future race that accept wagers of the same selected type. The Examiner contends that Mindes shows this feature of appellants' claims. Appellants respectfully disagree.

Mindes states that his system "maintains one or more pools for each event upon which bets are being accepted. Every event has a different pool for each handicap being offered" (col. 8:9-11). While Mindes teaches using multiple pools for an

event, each pool is for a different handicap. This is illustrated in Figure 2 of Mindes (reproduced below) where there are 5 pools for an event that has two contestants - Team A and Team B.

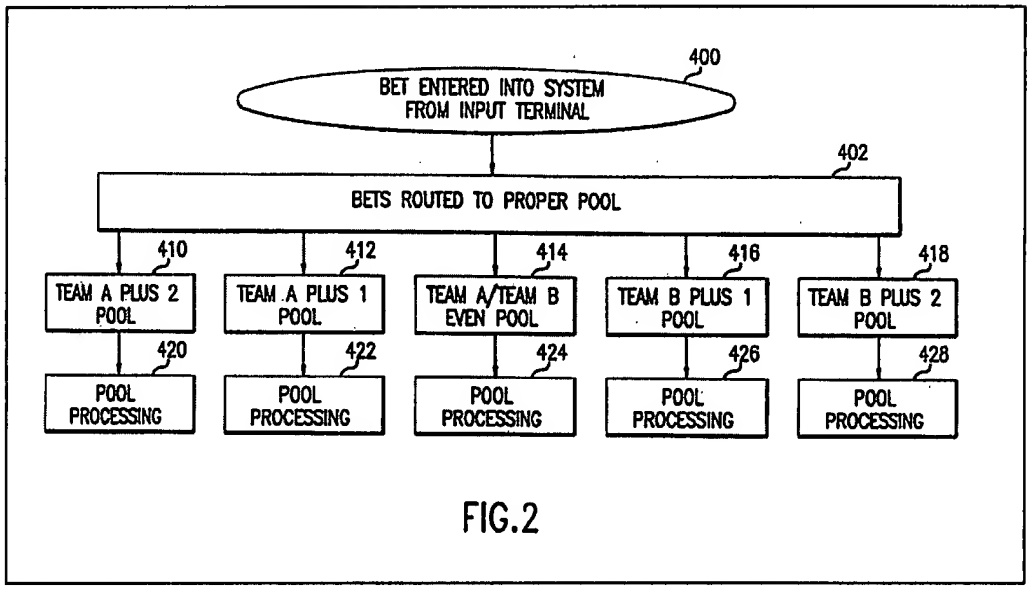


FIG.2

As illustrated in Figure 2, a wager of a selected type in Mindes can only be placed in a single pool. For example, if a wagerer selects a wager for team A with a plus 2 handicap, there is only one pool in Mindes that can accept that wager (i.e., the pool associated with block 410).

Furthermore, Mindes states that "[t]hose sports which do not use handicaps (baseball, boxing, etc.) are treated as if the handicap were zero so only have one pool" (col. 8:19-21, emphasis added).

Accordingly, even if it were obvious to one skilled in the art to modify Mindes' pools with the teachings of Van Horn to make the pools "have different schedules to open and close"

as the Examiner contends, such a combination would still fail to show or suggest first and second pools for a future race that accept wagers of the same selected type as required by appellants' claims. For at least this additional independent reason, appellants respectfully request that the rejection of independent claims 1 and 18 and dependent claims 2, 4-17, 19, and 21-34 under 35 U.S.C. § 103(a) be overturned.

II. Mindes Teaches Away From Using Parimutuel Wagering Pools As Required By Appellants' Claims

As demonstrated above, the system described in Mindes does not use parimutuel wagering pools. Moreover, Mindes teaches one skilled in the art away from using parimutuel wagering pools.

Mindes teaches that "[t]he culture of sports betting is such that the player wants to know the odds or handicap (point spread) of the wager at the time it is placed (fixed terms betting)" (col. 2:32-34, emphasis added). In that same paragraph, Mindes states that "[t]his is different than the situation in race track betting where a parimutuel system is used ... and the player does not know the odds he will receive when he makes his wager, but learns the odds only after all wagers have been placed" (col. 2:39-44).

As stated in the MPEP, "A prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention" (§ 2141.02(VI),

emphasis in original). Accordingly, while Mindes mentions a parimutuel system in the background of the invention, one skilled in the art considering Mindes "as a whole" would be led away from using parimutuel pools. In addition, Van Horn, which is the other reference relied on by the examiner in the obviousness objection, does not even relate to wagering, let alone parimutuel wagering.

Accordingly, one skilled in the art in view of Mindes and Van Horn would be led away from using parimutuel pools. For at least this additional reason, Appellants submit that appellants' claims 1 and 18 are not obvious over Mindes and Van Horn and respectfully request that the rejection of independent claims 1 and 18 and dependent claims 2, 4-17, 19, and 21-34 under 35 U.S.C. § 103(a) be overturned.

III. Van Horn Is Non-Analogous Art And Cannot Be Properly Relied On In The Obviousness Rejection Of Appellants' Claims

In order for the Examiner to rely on a reference under 35 U.S.C. § 103, it must be "analogous" (see MPEP § 2141.01(a)). A reference is analogous if it is "in the field of appellant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the inventor was concerned" (*In re Oetiker*, 977 F.2d 1443, 1446 (Fed. Cir. 1992)). Appellants respectfully submit that Van Horn is non-analogous art and

cannot be relied on in the obviousness rejection of appellants' claims.

Van Horn is directed to "demand aggregation through online buying groups" (title). Nowhere does Van Horn discuss or even mention any type of wagering or betting. Accordingly, Van Horn is not in the field of appellants' endeavor. It must next be determined whether Van Horn is reasonably pertinent to the particular problem that appellants were addressing.

As discussed in the background of appellants' specification, "[w]agerers may not be drawn to placing wagers on events far in the future because odds can drastically change as a result of the number of additional wagers that may be placed in the extended period of time available for placing wagers" (para. 5). Accordingly, Appellants' claimed invention, which provides two parimutuel wagering pools that close at different times, attempts to reduce "the likelihood of the odds from changing too drastically" (para. 8).

The Examiner fails to specify how Van Horn is relevant to the problems associated with parimutuel wagering pools. Van Horn, in the background of the invention section, identifies various buyer and supplier problems allegedly solved by his invention (see col. 1:57 to col. 3:33). For example, Van Horn states that traditional buying co-ops have been limited by the organization's membership base and topical focus (see col. 2:21-

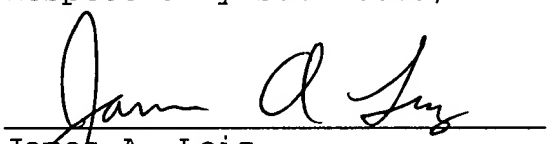
28). As another example, Van Horn states that "[u]nder traditional sales models, there is no practical way [for suppliers] to capture the number of potential buyers who rejected the sale based on price."

Van Horn states that his invention solves the identified problems by forming online buying groups or co-ops that have various features and functionality. The Examiner relies on column 11, lines 5-15 of Van Horn in the obviousness rejection. This section of Van Horn specifies how a co-op is created and defined. At any given time, Van Horn states that numerous co-ops will be simultaneously featured. The essential characteristics of a co-op are "start time, end time, any minimum number of units offered, any maximum number of units available for sale, starting price, and product cost curve including a price curve visibility window." Based on this section of Van Horn, the Examiner states that "it is obvious that it exists a first buying group is scheduled to close after a second buying group" (Office Action, p. 3). Even if Van Horn teaches that one buying group can be scheduled to close after a second buying group, one skilled in the art, however, would not find such scheduling relevant to the problem of parimutuel pools, where odds for a wager can change drastically if the event is far in the future.

Accordingly, appellants respectfully submit that Van Horn is non-analogous art and cannot be properly relied on in the 35 U.S.C. § 103(a) rejection of appellants' claims. For at least this additional independent reason, appellants respectfully request that the rejection of independent claims 1 and 18 and dependent claims 2, 4-17, 19, and 21-34 under 35 U.S.C. § 103(a) be overturned.

For the reasons set forth above, appellants respectfully submit that claims 1, 2, 4-19, and 21-34 are in condition for allowance. The Examiner's rejection of these claims should be reversed.

Respectfully submitted,



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(viii.) Claims Appendix

APPENDIX A
CLAIMS 1, 2, 4-19, AND 21-34 ON APPEAL

1. A method for wagering on a future race using an interactive wagering system, comprising:

providing a user with the ability to place a wager in a first parimutuel wagering pool for the future race;

providing the user with the ability to select a wager type for the wager from a plurality of different wager types; and

using the interactive wagering system to provide a second parimutuel wagering pool for the future race, wherein (a) the second parimutuel wagering pool is separate from the first parimutuel wagering pool whereby odds of the first parimutuel are calculated using only wagers placed in the first parimutuel wagering pool and odds of the second parimutuel wagering pool are calculated using only wagers placed in the second parimutuel wagering pool, (b) the first and second parimutuel wagering pools accept wagers of the same selected type, and (c) the second parimutuel wagering pool closes after the first parimutuel wagering pool closes.

2. The method defined in claim 1 further comprising providing the user with the ability to place a wager in the second parimutuel wagering pool.

4. The method defined in claim 1 wherein the second parimutuel wagering pool is open while the first parimutuel wagering pool is open.

5. The method defined in claim 1 wherein the second parimutuel wagering pool opens when the first parimutuel wagering pool closes.

6. The method defined in claim 1 wherein the second parimutuel wagering pool opens at some time after the first parimutuel wagering pool closes.

7. The method defined in claim 1 wherein the odds and payouts for the first parimutuel wagering pool are being calculated while the first parimutuel wagering pool is open and wherein the odds and payouts for the second parimutuel wagering pool are being calculated while the second parimutuel wagering pool is open.

8. The method defined in claim 7 wherein the odds and payouts for the first parimutuel wagering pool become fixed when the first parimutuel wagering pool closes and wherein the odds and payouts for the second parimutuel

wagering pool become fixed when the second parimutuel wagering pool closes.

9. The method defined in claim 1 further comprising providing the user with the ability to access wagering pool information.

10. The method defined in claim 9 wherein the wagering pool information for a closed wagering pool includes fixed odds and payouts for the future race.

11. The method defined in claim 9 wherein the wagering pool information for an open wagering pool includes current odds and payouts for the future race.

12. The method defined in claim 1 further comprising notifying the user of future race events by displaying a message.

13. The method defined in claim 1 further comprising monitoring user actions to create a user profile.

14. The method defined in claim 13 further comprising:

finding future race events that may be of interest to the user based on the user profile; and

notifying the user of the future race events that may be of interest.

15. The method defined in claim 14 further comprising notifying the user of the future race events that may be of interest by displaying a message.

16. The method defined in claim 14 further comprising adding the future race events to a list.

17. The method defined in claim 16 further comprising providing the user with the ability to access the list.

18. A system for wagering on a future race using an interactive wagering system, comprising:

a first parimutuel wagering pool for the future race;

a second parimutuel wagering pool for the future race, wherein (a) the second parimutuel wagering pool is separate from the first parimutuel wagering pool whereby odds of the first parimutuel are calculated using only wagers placed in the first parimutuel wagering pool and odds of the second parimutuel wagering pool are calculated using only wagers placed in the second parimutuel wagering pool, (b) the first and second

parimutuel wagering pools accept wagers of the same selected type, and (c) the second parimutuel wagering pool closes after the first parimutuel wagering pool closes; and

user equipment configured to:

provide the user with the ability to place a wager in the first parimutuel wagering pool for the future race; and

provide the user with the ability to select a wager type for the wager from a plurality of different wager types.

19. The system defined in claim 18 wherein the user equipment is further configured to provide the user with the ability to place a wager in the second parimutuel wagering pool.

21. The system defined in claim 18 wherein the second parimutuel wagering pool is open while the first parimutuel wagering pool is open.

22. The system defined in claim 18 wherein the second parimutuel wagering pool opens when the first parimutuel wagering pool closes.

23. The system defined in claim 18 wherein the second parimutuel wagering pool opens at some time after the first parimutuel wagering pool closes.

24. The system defined in claim 18 further comprising a totalisator configured to (a)calculate the odds and payouts for the first parimutuel wagering pool while the first parimutuel wagering pool is open and (b)calculate the odds and payouts for the second parimutuel wagering pool while the second parimutuel wagering pool is open.

25. The system defined in claim 24 wherein the totalisator is further configured to (a) fix the odds and payouts for the first parimutuel wagering pool when the first parimutuel wagering pool closes and (b) fix the odds and payouts for the second parimutuel wagering pool when the second parimutuel wagering pool closes.

26. The system defined in claim 18 wherein the user equipment is further configured to provide the user with the ability to access wagering pool information.

27. The system defined in claim 26 wherein the wagering pool information for a closed wagering pool includes fixed odds and payouts·for the future race.

28. The system defined in claim 26 wherein the wagering pool information for an open wagering pool includes current odds and payouts for the future race.

29. The system defined in claim 18 wherein the user equipment is configured to display a message to notify the user of future race events.

30. The system defined in claim 18 wherein the user equipment is configured to monitor user actions to create a user profile.

31. The system defined in claim 30 wherein the user equipment is further configured to:

find future race events that may be of interest to the user based on the user profile; and

notify the user of the future race events that may be of interest.

32. The system defined in claim 31 wherein the user equipment is further configured to display a message to notify the user of available future race events that may be of interest.

33. The system defined in claim 31 wherein the user equipment is further configured to maintain and add the future race events that may be of interest to a list.

34. The system defined in claim 33 wherein the user equipment is further configured to provide the user with the ability to access the list.

(ix.) Evidence Appendices

APPENDIX B

COPY OF THE FINAL OFFICE ACTION DATED JUNE 2, 2006

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
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Alexandria, Virginia 22313-1450
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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/825,537	04/02/2001	Masood Garahi	ODS/025	9788

1473 7590 06/02/2006

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EXAMINER	
NGUYEN, NGA B	
ART UNIT	**PAPER NUMBER**
3628	

DATE MAILED: 06/02/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/825,537	GARAHI ET AL.	
	Examiner	Art Unit	
	Nga B. Nguyen	3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *07 March 2006*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-34* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-34* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

1. This Office Action is the answer to the communication filed on May 7, 2006, which paper has been placed of record in the file.

2. Claims 1-34 are pending in this application.

Response to Arguments/Amendment

3. Applicant's arguments with respect to claims 1-34 have been considered but are moot in view of new grounds of rejection.

4. Applicant's amendment necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

6. Claims 1-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Mindes et al (hereinafter Mindes), U.S. Patent No. 5,842,921, in view of Van Horn et al (hereinafter Van Horn), U.S. Patent No. 6,631,356.

Regarding to claim 1, Mindes discloses a method for wagering on a future race an interactive wagering system, comprising:

providing a user with the ability to place a wager in a first wagering pool for the future race, wherein interactive wagering system provides second wagering pool for the future race (figure 2 and column 8, line 10-column 9, line 20, the user can place a wager in a plurality pools for the future race).

Mindes does not disclose wherein the second wagering pool closes after the first wagering pool closes. However, Van Horn discloses a buyer can join a plurality of buying groups, the buying groups will be featured simultaneously at any given time, each buying group the date/time scheduled to open and date/time scheduled to close (column 11, lines 5-15), thus it is obvious that it exists a first buying group is scheduled to close after a second buying group. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Mindes to adopt the teaching of Van Horn above for the purpose of providing the user with the ability to

place a wager in a plurality of wagering pools that have different schedules to open and close.

Regarding to claims 2-3, Mindes further discloses providing the user with the ability to place a wage in the second wagering pool; wherein first and second wagering pools accept wagers same wager type (see figure 2).

Regarding to claims 4-6, Mindes does not disclose wherein the second wagering pool is open while the first wagering pool is open, the second wagering pool open when the first wagering closes, the second wagering opens at some time after the first wagering pool closes. However, Van Horn discloses a buyer can join a plurality of buying groups, the buying groups will be featured simultaneously at any given time, each buying group the date/time scheduled to open and date/time scheduled to close (column 11, lines 5-15), thus it is obvious that it exits the second buying group is open while the buying group pool is open, the second buying group is open when the first buying group closes, the second buying group opens at some time after the first buying group closes. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Mindes to adopt the teaching of Van Horn above for the purpose of providing the user with the ability to place a wager in a plurality of wagering pools that have different schedules to open and close.

Regarding to claim 7, Mindes further discloses wherein the odds and payouts for the first wagering pool are being calculated while the first wagering pool is open and wherein the wagering pool are being calculated while the second wagering pool is open (column 8, line 45-column 9, line 20).

Regarding to claim 8, Mindes further discloses wherein the odds and payouts for the first wagering pool become fixed when the first wagering pool closes and wherein the odds and payouts for the second wagering pool become fixed when the second wagering pool closes (columns 16-18).

Regarding to claims 9-11, Mindes further discloses providing the user with the ability to access wagering pool information, wherein the wagering pool information for a closed wagering pool includes fixed odds and payouts for the future race, the wagering pool information for an open includes current odds and payouts the wagering pool future race (column 6, lines 30-67).

Regarding to claim 12, Mindes further discloses notifying the user of future race events by comprising notifying the user by displaying a message (column 6, lines 50-57).

Regarding to claims 13-15, Mindes does not disclose monitoring user actions to create a user profile; finding future race events that may be interest to user based on the user profile; and notifying the user future race that may be interest, notifying the user future race events that may be of interest by displaying a message. However, such features are well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Mindes to include the well known feature above for the purpose of providing more convenient for the user to receive his/her preferred future races.

Regarding to claims 16-17, Mindes does not disclose adding future race events to a list and providing the user with the ability access the list. However, displaying the

list of future race events is well known in the art. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Mindes to include the well known feature above for the purpose of providing more easier for the user to view future race events.

Claims 18-34 contain similar limitations found in claims 1-17 above, therefore, are rejected by the same rationale.

Conclusion

7. Claims **1-34** are rejected.

8. The prior arts made of record and not relied upon is considered pertinent to applicant's disclosure:

Mir et al. (US 6,450,887) disclose a gaming system enables parimutuel wagering with instant payoffs on actual past events.

Herbert (US 6,152,822) discloses wagering system and method of wagering.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to examiner Nga B. Nguyen whose telephone number is (571) 272-6796. The examiner can normally be reached on Monday-Thursday from 9:00AM-6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on (571) 272-6799.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (571) 272-3600.

10. Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

C/o Technology Center 3600

Washington, DC 20231

Or faxed to:

(571) 273-8300 (for formal communication intended for entry),

or

(571) 273-0325 (for informal or draft communication, please label "PROPOSED" or "DRAFT").

Hand-delivered responses should be brought to Knox building, 501 Dulany Street, Alexandria, VA, First Floor (Receptionist).

Nga B. Nguyen

Nga Nguyen

May 25, 2006

APPENDIX C

COPY OF THE SEPTEMBER 1, 2006

PRE-APPEAL BRIEF REQUEST FOR REVIEW

ODS-25

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

PATENT APPLICATION

Applicants	:	Masood Garahi et al.
Application No.	:	09/825,537 Confirmation No.: 9788
Filed	:	April 2, 2001
For	:	SYSTEMS AND METHODS FOR PLACING PARIMUTUEL WAGERS ON FUTURE EVENTS
Group Art Unit	:	3628
Examiner	:	Nga B. Nguyen

New York, New York
September 1, 2006

Mail Stop AF
Hon. Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

PRE-APPEAL BRIEF REQUEST FOR REVIEW

Sir:

Pursuant to 1296 Off. Gaz. 2 (July 12, 2005) and the January 10, 2006 Extension of the Pilot Pre-Appeal Brief Conference Program, applicants request review of the final rejection of claims 1-34 in the above-identified application. No amendments are being filed with this Request. This Request is being filed with a Notice of Appeal.

Arguments begin on page 1 of this Reply.

ARGUMENTS

I. Summary of final Office Action

The Examiner finally rejects claims 1-34 under 35 U.S.C. § 103(a) as being unpatentable over Mindes et al. U.S. Patent 5,842,921 (hereinafter "Mindes") in view of Van Horn et al. U.S. Patent 6,631,356 (hereinafter "Van Horn").

II. Summary Of Arguments

For the purposes of this Request, applicants will specify the clear error in the rejections of claims 1-34. Namely, applicants will show that the Examiner's proposed modification of Mindes with the teachings of Van Horn fails to teach each and every element of applicant's claimed invention and that there is insufficient motivation to modify Mindes with the teachings of Van Horn. Applicants reserve the right to present additional arguments subsequent to the decision of the panel review.

III. The Rejection Of Independent Claims 1 And 18

The Examiner rejects claim 1 and 18 under 35 U.S.C. § 103(a) as being unpatentable over Mindes in view of Van Horn. The Examiner's rejection is respectfully traversed.

Independent claims 1 and 18 are directed to a method and system for wagering on a future race using an interactive wagering system. A user is provided with an ability to place a wager in a first parimutuel wagering pool for the future race and is provided with an ability to select a wager type for the wager from a plurality of wager types. A second parimutuel wagering pool is provided for the future race using the interactive wagering system. The second parimutuel wagering pool is separate from the first parimutuel wagering pool whereby odds of the first parimutuel wager pool are calculated using only wagers placed in the first parimutuel wagering pool and odds of the second parimutuel wagering pool are calculated using only wagers placed in the second parimutuel wagering pool. The first and the second parimutuel wagering pools accept wagers of the same selected type and the second parimutuel wagering pool closes after the first parimutuel wagering pool closes.

Mindes refers to a system and method for wagering at fixed handicaps and/or odds on sporting events. Mindes discusses balancing betting pools to minimize the financial exposure of entities that accept wagers. See, e.g., col. 4:12-17. This is accomplished by controlling the terms such as betting odds and/or handicaps for the contestants such that bettors are encouraged to place bets that will bring the betting pools into balance. See, e.g., col. 4:7-17. Mindes' fixed terms betting system is different than a parimutuel system. See col. 2:32-44.

Van Horn is directed to aggregating the demand for products by forming online buying groups. Van Horn states that a buying group "is formed for the specific purpose of purchasing a particular product . . . by defining a start time, end time, critical mass, any minimum number of units offered, any maximum number of units offered, starting price and product cost curve" (Abstract). Van Horn has absolutely nothing to do with wagering or betting.

A. Mindes And Van Horn Fail To Show Or Suggest All The Features Of Applicants' Claimed Invention

It is well-established that "to establish prima facie obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art" (MPEP § 2143.03). In re Royka, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). However, the Examiner's proposed modification of Mindes with the teachings of Van Horn fails to show or suggest at least applicants' claimed features of 1) providing a parimutuel wagering pool and 2) providing first and second parimutuel wagering pools for a future race.

i. Mindes Fails To Show Or Suggest Providing A Parimutuel Wagering Pool

The Examiner states that Mindes discloses a wagering pool. Applicants' claimed invention, however, requires providing a parimutuel wagering pool. In stark contrast to applicants' claimed invention, Mindes describes a fixed terms betting system. In the background of the invention, Mindes acknowledges that fixed terms betting "is different than the situation in race track betting where a parimutuel system is used" (col. 2:39-40). In fixed terms betting, the odds or handicap of the wager is known at the time it is placed. See col. 2:32-34. In a parimutuel pool, the odds for a wager are only known "after all wagers have been placed" (Mindes, col. 2:43-44). Accordingly, Mindes fails to show or suggest providing a parimutuel wagering pool as required by applicants' claimed invention.

Moreover, Mindes teaches away from parimutuel wagering. Mindes states that "[t]he culture of sports betting is such that the player wants to know the odds or handicap (point spread) of the wager at the time it is placed (fixed terms betting)" (col. 2:32-34).

Accordingly, even if Mindes' fixed terms wagering pools were modified with the teachings of Van Horn as proposed by the Examiner, the combination would fail to show or suggest providing a parimutuel wagering pool as required by applicants' claimed invention. For at least this reason, this rejection should be withdrawn.

ii. Mindes Fails To Show Or Suggest Providing First And Second Parimutuel Wagering Pools For A Future Race

The Examiner contends that Mindes provides multiple wagering pools for a future race in which a user can place a wager. The Examiner's contention is respectfully traversed.

Mindes states that his system "maintains one or more pools for each event upon which bets are being accepted. Every event has a different pool for each handicap being offered" (col. 8:9-11). Mindes provides basketball as an exemplary sport that uses different handicaps. However, "[t]hose sports which do not use handicaps (baseball, boxing, etc.) are treated as if the handicap were zero so only have one pool" (col. 8:19-21, emphasis added).

Mindes fails to show or suggest that handicaps are used with future races. Accordingly, Mindes also fails to show or suggest providing first and second wagering pools for a future race.

Moreover, Mindes' only mention of races is in his background of the invention. Mindes states that fixed terms betting, which the type of system Mindes describes, "is different

than the situation in race track betting where a parimutuel system is used" (col. 2:39-40). Accordingly, Mindes teaches away from using his alleged invention with future races.

Accordingly, even if Mindes' wagering pools were modified with the teachings of Van Horn as suggested by the Examiner, the combination would fail to show or suggest providing first and second parimutuel wagering pools for a future race as required by applicants' claimed invention. For at least this independent reason, this rejection should be withdrawn.

B. There Is Insufficient Motivation To Modify Mindes With The Teachings Of Van Horn

The Examiner has failed to provide sufficient motivation for modifying Mindes with the teachings of Van Horn. See In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998) ("When a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references"). See also MPEP §§ 2142 and 2143.01. The Examiner contends that it would be obvious to modify Mindes with the teachings of Van Horn "for the purpose of providing the user with the ability to place a wager in a plurality of wagering pools that have different schedules to open and close" (final Office Action, pp. 3-4).

Van Horn, however, unlike Mindes, has absolutely nothing to do with wagering or betting. Rather, Van Horn is directed to forming buying groups for purchasing products. As explained in Van Horn, a merchant can identify a product to be featured in a buying group and also specifies a minimum and maximum number of units available for sale. See col. 11:8-17. The merchant also specifies a start and end time for the buying group. See col. 11:14. The Examiner has provided no motivation why one skilled in the art would look to the product buying pools of Van Horn to modify the wagering pools of Mindes to include different end times. In Van Horn, a limited number of product units are offered to be sold in a buying group. As long as additional units are available, a merchant can continue to create additional buying groups for that product. This would result in multiple buying groups with different end times. In Mindes, a wagering pool accepts unlimited wagers until some time prior to the completion of a sporting event. However, once that sporting event concludes, the outcome is known and wagers can no longer be placed.

Accordingly, the structure and function of the wagering pools in Mindes and the buying groups of Van Horn are different. Furthermore, Van Horn is not in the field of wagering and the Examiner failed to provide any motivation why one skilled in the art would look to Van Horn to modify the wagering pools of Mindes. Without some objective evidence of a motivation to combine, this obviousness rejection is the "essence of hindsight" reconstruction, the very "syndrome" that the requirement for such evidence is designed to combat, and

insufficient as a matter of law. In re Dembiczak, 50 U.S.P.Q.2d 1614, 1617-1618 (Fed. Cir. 1999).

Applicants submit that the only suggestion or motivation for modifying Mindes with the teachings of Van Horn is provided by the teachings of applicants' own disclosure. Without a proper motivation for combining the references, the Office Action has "simply take[n] the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability," a practice that is insufficient as a matter of law. Id.; see also In re Lee, 277 F.3d 1338, 1344 (Fed. Cir. 2002) ("[i]t is improper, in determining whether a person of ordinary skill would have been led to a combination of references, simply to use that which the inventor taught against its teacher"). Thus, applicants respectfully submit that their own disclosure has been impermissibly relied on in hindsight to see a suggestion in Van Horn that simply is not present.

Therefore, for at least this addition independent reason, this rejection should be withdrawn.

IV. The Rejection Of Dependent Claims 2-17 And 19-34

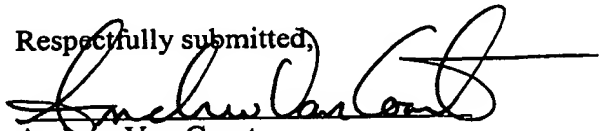
The Examiner rejects dependent claims 2-17 and 19-34 under 35 U.S.C. § 103(a) as being unpatentable over Mindes in view of Van Horn. The Examiner's rejection is respectfully traversed.

Claims 2-17 and 19-34 depend from independent claims 1 and 18. Applicants request that the rejection of these claims be withdrawn for at least the same reasons why the rejection of independent claims 1 and 18 should be withdrawn.

V. Conclusion

In view of the foregoing, claims 1-34 are in condition for allowance. This application is therefore in condition for allowance. Reconsideration and allowance of the application are respectfully requested.

Respectfully submitted,



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APPENDIX D

COPY OF THE NOTICE OF PANEL DECISION FROM PRE-APPEAL BRIEF REVIEW DATED FEBRUARY 2, 2007

UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/825,537	04/02/2001	Masood Garahi	ODS/025	9788

1473 7590 02/02/2007

FISH & NEAVE IP GROUP
ROPES & GRAY LLP
1211 AVENUE OF THE AMERICAS
NEW YORK, NY 10036-8704

EXAMINER	
NGUYEN, NGA B	
ART UNIT	PAPER NUMBER
3692	

MAIL DATE	DELIVERY MODE
02/02/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

ODS/025
Appeal Brief (4th ext.)
3-1-07
LB

Application Number	Application/Control No.	Applicant(s)/Patent under Reexamination	
	09/825,537	GARAHI ET AL.	
	Richard E. Chilcot	Art Unit 3692	

Document Code - AP.PRE.DEC

Notice of Panel Decision from Pre-Appeal Brief Review

This is in response to the Pre-Appeal Brief Request for Review filed 09/01/2006.

1. ☐ **Improper Request** – The Request is improper and a conference will not be held for the following reason(s):

   ☐ The Notice of Appeal has not been filed concurrent with the Pre-Appeal Brief Request.
   ☐ The request does not include reasons why a review is appropriate.
   ☐ A proposed amendment is included with the Pre-Appeal Brief request.
   ☐ Other:

The time period for filing a response continues to run from the receipt date of the Notice of Appeal or from the mail date of the last Office communication, if no Notice of Appeal has been received.

2. ☒ **Proceed to Board of Patent Appeals and Interferences** – A Pre-Appeal Brief conference has been held. The application remains under appeal because there is at least one actual issue for appeal. Applicant is required to submit an appeal brief in accordance with 37 CFR 41.37. The time period for filing an appeal brief will be reset to be one month from mailing this decision, or the balance of the two-month time period running from the receipt of the notice of appeal, whichever is greater. Further, the time period for filing of the appeal brief is extendible under 37 CFR 1.136 based upon the mail date of this decision or the receipt date of the notice of appeal, as applicable.

   ☒ The panel has determined the status of the claim(s) is as follows:
   Claim(s) allowed: _____.
   Claim(s) objected to: _____.
   Claim(s) rejected: *1-34*.
   Claim(s) withdrawn from consideration: _____.

3. ☐ **Allowable application** – A conference has been held. The rejection is withdrawn and a Notice of Allowance will be mailed. Prosecution on the merits remains closed. No further action is required by applicant at this time.

4. ☐ **Reopen Prosecution** – A conference has been held. The rejection is withdrawn and a new Office action will be mailed. No further action is required by applicant at this time.

RICHARD E. CHILCOT JR.
SUPERVISORY PATENT EXAMINER

All participants:

(1) *Richard E. Chilcot, SPE Art Unit 3692*. (3)_____.

(2) *Vincent Millin, Appeal Specialist*. (4)_____.

APPENDIX E

COPY OF MINDES ET AL. U.S. PATENT NO. 5,842,921

APPENDIX F

COPY OF VAN HORN ET AL. U.S. PATENT NO. 6,631,356

UNITED STATES PATENT AND TRADEMARK OFFICE

CERTIFICATE OF CORRECTION

PATENT NO. : 6,631,356 B1
DATED : October 7, 2003
INVENTOR(S) : Tom Van Horn, Nikas Gustafsson and Dale Woodford

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

Colum 17,
Line 34, replace "notice" with -- notify --.

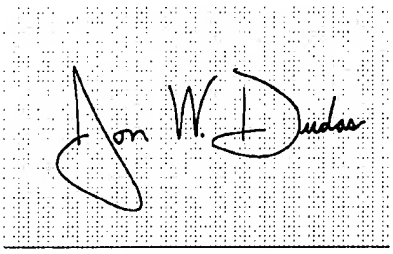
Column 18,
Line 2, insert -- in -- after the words "claim 14".

Column 20,
Line 20, replace "arc" with -- are --.

Column 30,
Line 29, replace "sewer" with -- server --.

Signed and Sealed this

Fifteenth Day of June, 2004



JON W. DUDAS
Acting Director of the United States Patent and Trademark Office

(x.) Related Proceedings Appendix

None.